

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** June 28, 2002

**SUBJECT:** Fiscal Impact Statement: "Mental Health Commitment  
Amendments Act of 2002"

**REFERENCE:** Bill Number 14-605 as Introduced

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**Conclusion**

Funds are sufficient in the FY 2003 through FY 2006 budget and financial plan to implement the **proposed legislation because it would result in net savings to the District of an estimated \$730,000 in FY 2003 and a total of \$3.1 million over the FY 2003 through FY 2006 period.**

**Background**

In March of 2000, the United States District Court for the District of Columbia appointed a Transitional Receiver to oversee the provision of mental health services in the District of Columbia. One of the steps that the District must take to end the receivership involves modernization of the District's civil commitment laws, which are commonly referred to as the Ervin Act.

The proposed legislation would amend the Ervin Act to: 1) cap the period of emergency involuntary hospitalization and make a less restrictive setting available for such detentions, 2) require treatment providers to frequently evaluate whether treatment is being provided in the least restrictive setting available, 3) cap long-term commitment at one year, instead of the current indeterminate commitment, 4) streamline the administrative process for periodically reviewing a person's commitment status, and 5) modernize provisions of the Ervin Act regarding the use of seclusion and restraints,

access to mail and telephone, etc., making the provisions consistent with the law that established the Department of Mental Health and with other local and federal regulations.

### **Financial Plan Impact**

Funds are sufficient in the FY 2003 through FY 2006 budget and financial plan to implement the proposed legislation because it would result in net savings to the District of an estimated \$730,000 in FY 2003 and an estimate total of \$3.1 million over the FY 2003 through FY 2006 period.

The proposed legislation would require additional patient assessments for placement in least restrictive settings. According to the Department of Mental Health (DMH), any costs associated with personal services to conduct additional assessments could be absorbed with existing resources.

The proposed legislation also would cap the length of stay for emergency involuntary hospitalization. This cap would result in cost savings to the District. According DMH, the length of stay for individuals affected by this legislation would be reduced from a current average of 45 days to 21 days. This would reduce St. Elizabeth's personal services costs as illustrated in the table below.

<b>Estimated Personal Service (PS) Cost Savings</b>						
<b>Average Staffing Pattern</b>	<b>FTE's</b>	<b>Grade and Step</b>	<b>Average Salary</b>	<b>Average Fringe</b>	<b>Average Total Compensation</b>	<b>Total</b>
Unit Coordinator	1	12.10	\$69,099	\$11,747	\$80,846	\$80,846
Team Leader	1	12.7	\$63,785	\$10,843	\$74,628	\$74,628
Registered Nurse	2	5.9	\$67,156	\$11,417	\$78,573	\$157,146
License Practical Nurse	1	7.7	\$35,958	\$6,117	\$42,075	\$42,075
Forensic Psy Tech	17	8.5	\$37,614	\$6,394	\$44,008	\$748,136
<b>Total</b>						<b>\$1,102,831</b>

The average number of potentially affected clients is 657 per year. Of those, DMH estimates 434 would be affected by the proposed legislation. Approximately, 50 percent (217) of those clients would be released from St. Elizabeth as a result of the cap, and the other 50 percent (217) would be released into community treatment. The additional clients in community treatment would increase the required local fund match for these services as illustrated in the table below.

<b>Estimated Community Treatment Costs</b>					
<b>Community Service</b>	<b>MHRS Rates</b>	<b>Number of Units</b>	<b>Individual Cost</b>	<b>Total Cost</b>	<b>Local Match</b>
Individual Counseling	\$16.25	100	\$1,625.00	\$325,625	\$97,688
Medication/Somatic	\$32.47	100	\$3,247.00	\$704,599	\$211,380
Diagnostic Assessment	\$240.00	4	\$960.00	\$208,320	\$62,496
<b>Total</b>			<b>\$5,832.00</b>	<b>\$1,238,544</b>	<b>\$371,564</b>

The estimated net fiscal impact of the proposed legislation is a savings of approximately \$730,000 in FY 2003 and \$3.1 million in FY 2003 through FY 2006. These savings are based on the reduced personal services costs and increased community treatment costs as illustrated in the table below.

<b>Estimated Net Fiscal Impact</b>					
<b>Item</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>4-Year Total</b>
Personal Services Savings	\$1,102,831	\$1,146,944	\$1,192,822	\$1,240,535	<b>\$4,683,132</b>
Community Treatment Cost	(\$371,564)	(\$386,427)	(\$401,884)	(\$417,959)	<b>(\$1,577,834)</b>
<b>Net Savings</b>	<b>\$731,267</b>	<b>\$760,517</b>	<b>\$789,938</b>	<b>\$822,503</b>	<b>\$3,104,225</b>